M12619

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: ***The Public Utilities Act***

- and -

IN THE MATTER OF: **AN APPLICATION by NOVA SCOTIA POWER INCORPORATED (NS Power) for approval of approximately $284.0 million of its ANNUAL CAPITAL EXPENDITURE (ACE) PLAN for 2026 which totals $702.1 million**

INFORMATION REQUESTS

To:
Michael Willett
Director, Regulatory Finance
Nova Scotia Power Inc.
P.O. Box 910
Halifax, NS B3J 2W5

From: Staff of the Nova Scotia Department of Energy

Responses Due: **Friday, February 13, 2026**

Copies: 1 electronic copy (provided in PDF and Word formats)

Contact Person:
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Issued at Halifax, Nova Scotia, this 23rd day of January, 2026.

Crystal Henwood, Clerk of the Board

Request IR-1:
For each of the projects listed below:

- C0014218 - HYD WRC LEM Balance of Plant
- 29807 - HYD - Tusket Falls Main Dam
- C0021140 - New 138KV-25KV Substation – Stellarton
- C0045132 - Eastern Clean Energy Initiative (ECEI) - Energy Storage
- C0032382 - Susie Lake Substation Addition
- C0072808 - Synchronous Condensers (ECEI)
- C0021608 - TUC Shoreline Sheetpile Refurbishment
- C0047278 - IT - Oracle MDM Upgrade
- Any additional projects reflected in ACE 2026 with a percentage change from the original approved project cost (first approval) greater than or equal to 30%

a) Please provide the initially approved project cost (baseline) at the time of first approval and the year in which the project was approved.

b) Please provide the project cost as reflected in ACE 2026, along with:

   i. the absolute change in cost ($) relative to the original approved cost; and

   ii. the percentage change (%) relative to the original approved cost.

c) Please provide the incremental rate impact attributable solely to the cost change identified in Item (b), expressed in cents per kWh. Please briefly describe the methodology and key assumptions used to calculate the rate impact.

d) Please provide a detailed explanation of the reasons for the change in the original approved cost.

e) Please describe in detail the actions taken by NS Power to contain costs and mitigate the increase in project costs and associated rate impacts.

Request IR-2:

For each generation project included in the ACE 2026 having project total $5M and above, please provide:

a) The primary purpose of the project (e.g., life-extension, reliability, compliance, capacity, energy, operational flexibility), and whether the project results in any incremental energy or capacity.

b) The remaining useful life of the asset prior to the project and the expected incremental extension of asset life (in years) resulting from the project.

c) The estimated levelized cost of energy (LCOE) associated with the project, including capital recovery and incremental operating and maintenance costs, over the post-project asset life. Please state key assumptions used in the LCOE calculation.

d) The comparison of LCOE in (C) above with LCOE of alternative generation resources including renewable resources, storage and non-wires-alternatives.

e) An explanation of how the project was assessed under NS Power's least-cost planning framework, including whether replacement, retirement, deferral, or alternative procurement options were evaluated and why they were not selected.

f) The expected impact of the project on rate base and annual revenue requirement over the remaining and extended life of the asset.

Request IR-3:

Reference: Exhibit N-1: Application - Section 8.0 Distribution

a) Please explain how Distribution capital planning is explicitly linked to historical and forecast customer additions, specifically addressing any deviations from the historic average.

b) Please provide a table showing the distribution spending in each of the last ten years against the customer additions and annual reliability statistics for the same years.

c) Please provide justification of $ per Customer and $ per kW values in 2026 relative to historic values and identify the specific cost drivers (e.g., inflation, labor, technical complexity) responsible for this variance.

d) Has NS Power performed any benchmarking comparison of $ per additional Customer and $ per additional kW values with comparable utilities in Atlantic region, Canada and North America? If so, please provide.

e) Explain whether lower-cost connection standards, phasing mechanisms or prioritization criteria were evaluated to mitigate the rate base impact of these growth-related investments.

f) Please describe the specific cost-containment measures used to prevent systematic over-investment. Clarify whether per-customer cost caps or post-completion audits are applied to Routine upgrades to ensure actual expenditures align with forecast benefits and least-cost obligations.

Request IR-4:

Reference: Exhibit N-1: Application - Section 9.0 (General Plant) (PDF Page 57)

a) General Plant capital for 2026 is forecast at $92.5 M, a significant increase from the 2025 budget of $65M. Please justify this elevated spending relative to historical averages and identify which projects are mandatory for safety/compliance versus discretionary service improvements.

b) NS Power has budgeted $22M for vehicle replacements in 2026. Demonstrate why this request is prudent given in comparison with the historical average during 2016–2025. Identify whether deferral or extended asset life scenarios were evaluated to smooth the ratepayer impact of these fleet investments.

Request IR-5:

Topic: Cyber Attack

a) Please confirm that no portion of the costs associated with the recent cyber security incident is being passed to ratepayers through this application.

b) Explain the accounting "ring-fencing" measures implemented to ensure Nova Scotia Power's commitments made in the November 25 committee hearing regarding the cybersecurity incident are upheld.

Request IR-6:

a) Please explain the grid services offered by and justifications underpinning the request for synchronous condensers in this application.

b) What alternatives to synchronous condensers did NS Power analyze?

c) How did NS Power arrive at the conclusion that number of synchronous condensers identified is the correct number?

d) Is experience with ECEI batteries required before the role of synchronous condensers can be fully understood.

Request IR-7:

a) Please provide a table showing the investment in each hydro system by year for each of the last ten years.

b) In the same table, please add the production capacity and production volume for the year in question.